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### Information Concerning State Department's Problem

The problem of tuition costs of dependents of overseas employees is regarded in the State Department as the most serious personnel problem affecting their overseas operation according to Mr. Dayton Hull, Chief, Allowances Staff, of that agency. They have, to date, been unsuccessful in obtaining Congressional authorization for payment of such costs for their overseas employees although civilian overseas employees of the military services enjoy such benefits. Such authority was proposed in the Foreign Service Act of 1946 but was stricken out in the legislative process. Legislation towards the same end was introduced during the Eightieth and Eighty-First Congresses but, despite assurances to the contrary, did not get to the hearings stage. A similar proposal was prepared for presentation to the present Congress but was administratively withheld within the State Department.

The Bureau of the Budget has sponsored a committee with representation from the State Department, Mutual Security Agency, Department of Defense, and Civil Service Commission to draft an "Overseas Civilian Service Act" to consolidate and revise the laws relating to overseas and territorial civilian employees of the Federal Government. Section 211(4) of the sixth draft of this proposed legislation reads:

"(4) An education allowance or grant as follows:

"(1) An allowance to assist an employee

(a) to provide for the elementary and secondary education of his minor dependents, including costs of tuition, board and room, correspondence courses and related costs;

(b) to transport his minor dependents, whenever adequate elementary and secondary educational facilities are not available at the post at which he is serving, to and from the nearest locality where such facilities are available."

The use of the word "assist" in this proposed legislation is important since it reflects a present feeling in the committee that only a portion of the cost of tuition should be paid, possibly that portion in excess of what normal public school costs would be in this country. Interest

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in proposal of such legislation by the government agencies has been shown by the House Committee on the Post Office and Civil Service. It is expected that the Bureau of the Budget will coordinate any proposed legislation with the 26 agencies involved, including this Agency, prior to submission to Congress.

Since the law does not permit agencies, except the military services, to provide educational benefits for dependents, the Standardized Regulations (Government Civilians - Foreign Areas) published by the State Department for the use of all agencies in paying overseas allowances for dependents are "token" payments which do not in any way reflect the cost of education even though other cost of living differences are the basis of post allowances. Post differentials, which are of a "hardship" nature, are based on a variety of factors of which lack of educational facilities may be occasionally represented in a very minor way. These differentials, however, are paid to all eligible employees at a differential post at the same percentage of salary regardless of dependency factors and thus are not designed to meet the education problem.

It is a normal administrative problem in the State Department to have employees with dependent children assigned to posts where there are no suitable educational facilities or the facilities are obviously inferior to American standards or involve considerable tuition or travel expense beyond what would be normal in this country. Generally speaking, the employees must bear the expense, or the injury to their children's education, or both, according to the individual situation. The ill effects are mitigated, as far as the needs of the service permit, by rotation in assignments and by judicious placement. The resentment of the parents oddly enough, is most acute not at the posts where the facilities are poorest or expense highest but at locations where civilian employees of the military services receive free benefits while they must pay.

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[REDACTED] In Germany the High Commissioner has available unappropriated funds derived from the occupied economy which are used to support schools for the use of all U. S. Government employees. In Greece and Turkey, Mutual Security Agency funds are available to reimburse military schools for approximately one-half the tuition costs of dependents of employees of State Department or Mutual Security Agency. Where State Department or other agencies' employees use military schools without the benefit of the special arrangements mentioned, they must pay the costs to the military services in advance. There is no authority for the State Department or other agency to reimburse the military services and then collect from the employee.

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Only one copy of the proposed "Overseas Civilian Service Act" is available. It is attached to the original copy of the study.